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SUBJECT: Argentina: Ambassador Promotes Chevron Corporate Social Responsibility in Neuquen Province

Ref: Buenos Aires 751

Summary

¶1. (SBU) Ambassador attended the inauguration of a newly-rebuilt high school on September 9 in Junin de los Andes, in the southwestern province of Neuquen, whose reconstruction was sponsored by Chevron Argentina. The rural school, which had been damaged in an August 2007 fire, serves many impoverished outlying communities and is an important community asset. Neuquen Governor Jorge Sapag thanked Chevron for its important work, and argued that the federal government should allow oil and gas produced in Neuquen to be sold at higher prices as this would provide the province with more funds for education and other spending. Ambassador's attendance served to highlight the strong corporate social responsibility efforts of U.S.-based businesses in Argentina, and the event received positive media coverage. END SUMMARY.

Chevron sponsors school rebuilding efforts

¶2. (U) Ambassador attended the inauguration of the newly-rebuilt "San Ignacio" high school building in Junin de los Andes, Neuquen Province, which had been damaged in an August 2007 fire. Chevron Argentina and local NGO "Patagonia Crusade Foundation" (Fundacion Cruzada Patagonica) teamed up to lead this reconstruction effort. Also present at the event was Neuquen Governor Jorge Sapag, Wes Lohec, Chevron's Managing Director for Latin America Exploration and Production (based in Caracas), local authorities, NGO representatives, students, teachers, and Junin residents.

¶3. (U) The rural school, with about 210 students, also serves many impoverished outlying communities, and is equipped with several dormitory rooms for these students. San Ignacio also teaches farming, animal husbandry and other vocational skills, and its surrounding farm and animal pens are used for training in these areas, and its products are used to supplement the diets of the students. The school also runs a basic education program for adults, which is presently serving about 70 members of the community. About 1300 students have attended the school in its 25-year existence. The school also serves an unofficial community center for the region, and the school building's restoration has been of crucial importance for the community's social cohesion. The new and larger school building has many new safety and construction standards, including smoke detectors and automated sprinklers in every room. All the construction work on the new school was performed by regional companies.

¶4. (U) San Ignacio also has two strong ties with the United States. They have a vibrant exchange program with the Foundation for Community Vitality in Billings, Montana. San Ignacio also participates in the U.S.-initiated GLOBE environment program, and

has twice won international awards for its GLOBE work.

Neuquen Governor Jorge Sapag

15. (SBU) In his remarks at the inauguration ceremony, Governor Sapag expressed his thanks and strong support for Chevron's corporate social responsibility efforts, both at the school and in the rest of the province. He called on the Federal Government to allow higher prices for oil and gas (currently constrained by high export tariffs at prices far below world market levels) to encourage greater investment in the province and to expand the province's hydrocarbon royalty revenue base for spending for education, infrastructure and other public services. Neuquen Province is one of Argentina's oldest and most important oil and gas producers; its reserves represent two-thirds and one-quarter, respectively, of Argentina's total. Neuquen Province is also Argentina's main hydroelectric producer, with five major dams. Sapag thanked the Ambassador for his visit to the school (Ambassador's second visit to the province, reftel), and for the continuing positive contributions of U.S.-based companies in his province.

16. (SBU) In response to an earlier request from Governor Sapag to Ambassador seeking equipment donations for a new provincial Evacuation and Emergency Center, Ambassador handed the Governor a letter notifying the Governor that this request was forwarded by Embassy's Milgroup to U.S. Southern Command, and that such donations will be forthcoming in the near future. The governor was very thankful.

Media discussions

17. (U) The Ambassador engaged in several informal media interviews with Neuquen City-based media outlets, including television station RTN TV, and newspapers Rio Negro (Patagonia's oldest and largest-selling daily), and La Manana. Ambassador highlighted Chevron's important corporate social responsibility efforts, as well as those of the many U.S.-based companies in the province. He also hailed mature and multi-faceted bilateral engagement with Argentina. These news organizations later filed positive accounts of the school inauguration event and Ambassador's attendance.

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